OFFICE OF THE COMPTROLLER GENERAL

MINISTERIAL ACCOUNTABILITY REPORT

2011/12

Ministerial Accountability Report

Ministry of Finance
Office of the
Comptroller General

For the Fiscal Year Ended
March 31, 2012

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July 23, 2012
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2011/12. This is the tenth annual report required under the *Balanced Budget and Ministerial Accountability Act*.

KEVIN FALCON
Minister of Finance

July 23, 2012
Victoria, British Columbia

Honourable KEVIN FALCON
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expenses, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- Individual responsibilities—for members of the Executive Council with non–financial responsibilities, a list of expected and actual results as described for the member; and
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

STUART NEWTON
Comptroller General

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Ministerial Accountability for the Fiscal Year Ended March 31, 2012

The *Balanced Budget and Ministerial Accountability Act* (BBMAA) holds ministers responsible, individually and collectively, for ensuring ministries operate within their budgets, government meets its overall financial commitment, and the Ministers of State with responsibility for non–financial targets meet their targets. The BBMAA ties ministers' salaries directly to financial and non–financial targets. The Ministerial Accountability Report communicates the results.

The BBMAA requires that a comparison of expected and actual performance results be released with the Public Accounts. This reporting is separate from any other performance reporting requirements, such as the service plan reports required of each minister under the *Budget Transparency and Accountability Act*.

The BBMAA requires a holdback of 20 % of ministerial salaries until release of the Public Accounts for that fiscal year. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all ministers participate and half is related to individual ministerial responsibilities for meeting expense, revenue or other non–financial targets. The government as a whole must meet its provincial budget target in order for ministers to be entitled to receive the 10 % collective holdback. Ministers and Ministers of State earn the other 10 % by meeting their ministry budget or non–financial targets which is their individual responsibility. Where requirements are met, the holdback for ministers responsible for operating expense is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the BBMAA is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2011/12 may be summarized as follows:

- If a summary surplus is forecast and the actual surplus is at least 50 % of the estimate, the collective holdback is repayable.
- In any other case, if there is not a deficit the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the BBMAA are based on:

- Ministry spending for ministers with operating expense responsibilities.
- Specified expected results for Ministers of State with responsibility for non–financial targets.

Ministerial Accountability for the Fiscal Year Ended March 31, 2012—Continued

The BBMAA requires that the following information be reported:

- Schedule F of the Estimates discloses the individual ministerial financial targets for the fiscal year. If during the fiscal year a government reorganization takes place, as described in Section 1 of the legislation, or if a reallocation of spending authority occurs under a vote that authorizes spending by more than one Minister, as described in Section 6, a revised Schedule F must be published that discloses the revised operating expenses that are the responsibility of each minister.
- The operating expense targets for 2011/12 are the amounts stated in the revised Schedule F.
- A comparison of actual results and the estimated amounts published in the revised Schedule F for the fiscal year ending March 31, 2012.
    - ◊ Where responsibilities were shared or changed during the year, actual spending is shown against the responsible ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the revised Schedule F.
    - ◊ Changes and shared responsibilities are measured in monthly proportions of this annual result and are included in the applicable minister's targeted and actual result amounts for the period of time they held the responsibility. Note that Contingencies (all ministries) and New Programs are the responsibility of the Minister of Finance.
- Actual results for Ministers of State with responsibility for non–financial targets are taken from the 2012 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulation 6/2012.
- The Ministerial Salary Holdback Repayment Results schedule discloses amounts for all ministers held accountable under the BBMAA.
- The *Budget Measures Implementation Act (No. 2), 2009*, amended the BBMAA to remove statutory spending (Special Accounts, and statutory appropriations not included in the Estimates) from the individual responsibilities. The collective responsibilities are not affected by this change.

Ministerial Accountability Report Summary of Schedules

Comparison of Expected Results to Actual Results—this statement discloses the results of comparing actual operating expenses of the government as a whole, and individual ministries, against the financial targeted operating expenses.

This statement shows for each minister with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount that must be made public with the Estimates under Section 6(1) of the *Balanced Budget and Ministerial Accountability Act* (BBMAA). This estimated amount is described in Section 5(1) of the BBMAA and represents the targeted operating expenses that are the responsibility of the minister as set out in the main Estimates for the Fiscal Year Ending March 31, 2012, which includes any adjustments to reflect enacted legislation.

During the fiscal year, if a government reorganization takes place as described in Section 1 of the BBMAA, a revised Schedule F must be published that sets out the targeted operating expenses that are the responsibility of the minister.

The statement also discloses the actual amount of operating expenses for each minister as required under Section 6(2) of the BBMAA and communicates whether or not the collective and individual responsibility targets have been successfully achieved.

Comparison of Non–financial Targets to Results Achieved—this statement has been prepared in order to communicate the non–financial targets established through regulation and the results achieved by the responsible Ministers of State. In addition to the financial accountability reporting under the BBMAA, non–financial results are also required. Results are taken from the annual public service plan reports of each Minister or Minister of State.

Ministerial Salary Holdback Repayment Results—this statement discloses the amounts of the salary holdbacks of the responsible ministers for both collective and individual results. These holdbacks are repayable based on the results achieved as communicated through this Ministerial Accountability Report.

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2012

Collective Responsibilities Results

In Thousands

	Estimates Expected Results	Actual Results	Variance	Actual Results Within Target
Summary Financial Statements Surplus (Deficit)	$	$	$	
Provincial Budget Target per Estimates March 31, 2012 and actual results shown in Public Accounts' Statement of Operations	(925,000)	(1,839,467)	(914,467)	
Summary Surplus (Deficit) for *Balanced Budget and Ministerial Accountability* Act purposes	**(925,000)**	**(1,839,467)**	**(914,467)**	**No**

Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities

In Thousands

	Expected Results[1,2]	Actual Results	Variance	Actual Spending Within Targets
	$	$	$	
Premier	9,455	9,379	(76)	Yes
Minister of Aboriginal Relations and Reconciliation	75,031	74,940	(91)	Yes
Minister of Advanced Education	2,121,421	2,111,528	(9,893)	Yes
Minister of Agriculture	54,271	54,140	(131)	Yes
Minister of Children and Family Development	1,330,591	1,329,579	(1,012)	Yes
Minister of Community, Sport and Cultural Development	243,265	243,241	(24)	Yes
Minister of Education	5,691,678	5,689,591	(2,087)	Yes
Minister of Energy and Mines and Minister Responsible for Housing	557,753	510,384	(47,369)	Yes
Minister of Environment	109,237	108,380	(857)	Yes
Minister of Finance and Deputy Premier	2,440,587	1,975,447	(465,140)	Yes
Minister of Forests, Lands and Natural Resource Operations	430,115	410,167	(19,948)	Yes
Minister of Health	16,029,424	15,737,647	(291,777)	Yes
Minister of Jobs, Tourism and Innovation	236,826	235,814	(1,012)	Yes
Minister of Justice[4]	542,665	540,058	(2,607)	Yes
Minister of Labour, Citizens' Services and Open Government	565,722	558,673	(7,049)	Yes
Minister of Public Safety and Solicitor General[4]	516,400	516,226	(174)	Yes
Minister of Social Development	2,338,775	2,338,551	(224)	Yes
Minister of Transportation and Infrastructure	806,922	806,466	(456)	Yes
Total Individual Responsibilities Results	**34,100,138**	**33,250,211**	**(849,927)**	

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2012—Continued

Reconciliation of Summary Accounts Surplus (Deficit) to Stated Estimates Amount

In Thousands

	Expected Results[1,2]	Actual Results	Variance
	$	$	$
Consolidated Revenue Fund Revenue	32,578,000	32,450,777	(127,223)
Less: Total Expenses from Individual Responsibilities Results	(34,100,138)	(33,250,211)	849,927
Estimates not included under the *Balanced Budget and Ministerial Accountability Act*:			
Less: Legislation	(68,862)	(64,323)	4,539
Less: Officers of the Legislature	(45,819)	(45,307)	512
Less: Special Accounts (Statutory)	(403,181)	(433,408)	(30,227)
Plus: Inter–Account Transfers		150,714	150,714
Less: Other Statutory Appropriations not provided for in the Estimates	0	(1,728,042)	(1,728,042)
Total Consolidated Revenue Fund Operating Result	(2,040,000)	(2,919,800)	(879,800)
Plus: Taxpayer–supported Crown corporations and agencies earnings (loss)	916,000	758,354	(157,646)
Plus: Self–supported Crown corporations and agencies earnings (loss) after contributions paid to the Consolidated Revenue Fund	549,000	321,979	(227,021)
Less: Forecast allowance	(350,000)		350,000
Actual Result shown in Public Accounts' Statement of Operations	**(925,000)**	**(1,839,467)**	**(914,467)**

[1]The Ministry of Finance is accountable under the BBMAA for budgeted contingency amounts and their spending; therefore, both the contingency allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and the Ministerial Appropriations schedules published on the Ministry of Finance website at www.fin.gov.bc.ca.

[2]Expected Results are as disclosed in the revised Schedule F.

[3]Minister of State for Multiculturalism was established on September 26, 2011.

[4]The following ministers' portfolios were established, disestablished or changed during the fiscal year:

Attorney General was continued under Minister of Justice by government reorganization on February 8, 2012.

Minister of Public Safety and Solicitor was transferred to Minister of Justice and then disestablished on February 8, 2012.

Comparison of Non–financial Targets to Results Achieved for the Ministers With Responsibility for Non–financial Targets for the Fiscal Year Ended March 31, 2012

Expected Results	Results Achieved
Minister of State for Multiculturalism	
(a) lead the work of the multiculturalism portfolio and support the implementation of initiatives that contribute to the delivery of program goals;	Yes
(b) identify key issues and opportunities facing the multiculturalism program in British Columbia and develop an action plan to address them;	Yes
(c) support and direct the ongoing work of the Multicultural Advisory Committee to promote multiculturalism and anti–racism across the Province;	Yes
(d) welcome multi–cultural groups to British Columbia who intend to invest or settle;	Yes
(e) report to Cabinet on the results referred to in paragraphs (a) to (d) on or before April 30, 2012.	Yes

Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2012

	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable[1]
	$	$	$
Members of the Executive Council without Operating Expense Responsibilities			
Minister of State for Multiculturalism	1,739	1,739	1,739

	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Members of the Executive Council with Operating Expense Responsibilities	$	$	$
Premier	9,192	9,192	9,192
Minister of Aboriginal Relations and Reconciliation	5,107	5,107	5,107
Minister of Advanced Education	5,107	5,107	5,107
Minister of Agriculture	5,107	5,107	5,107
Attorney General	5,107	5,107	5,107
Minister of Children and Family Development	5,107	5,107	5,107
Minister of Community, Sport and Cultural Development	5,107	5,107	5,107
Minister of Education	5,107	5,107	5,107
Minister of Energy and Mines and Minister Responsible for Housing	5,107	5,107	5,107
Minister of Environment	5,107	5,107	5,107
Minister of Finance and Deputy Premier	5,107	5,107	5,107
Minister of Forests, Lands and Natural Resource Operations	5,107	5,107	5,107
Minister of Health	5,107	5,107	5,107
Minister of Jobs, Tourism and Innovation	5,107	5,107	5,107
Minister of Justice	5,107	5,107	5,107
Minister of Labour, Citizens' Services and Open Government	5,107	5,107	5,107
Minister of Public Safety and Solicitor General	4,381	4,381	4,381
Minister of Social Development	5,107	5,107	5,107
Minister of Transportation and Infrastructure	5,107	5,107	5,107

[1]Holdback amounts are reported on the accrual basis. Ministers may be in a position less than a year; therefore, holdback amounts may vary.

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